



Arnold Schwarzenegger
Governor

September 24, 2010
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Mr. Ruben Aceves
City of Anaheim Workforce Development Division
50 South Anaheim Boulevard, Suite 200
Anaheim, CA 92805

Dear Mr. Aceves:

WORKFORCE INVESTMENT ACT
FISCAL AND PROCUREMENT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2009-10

This is to inform you of the results of our review for Program Year (PY) 2009-10 of the City of Anaheim Workforce Development Division's (City of Anaheim) financial management and procurement systems for activities funded by the American Recovery and Reinvestment Act of 2009 (ARRA) and Workforce Investment Act (WIA). This review was conducted by Larry Yanni from August 30, 2010 through September 2, 2010. For the fiscal portion of the review, we focused on the following areas: fiscal policies and procedures, accounting system, reporting, program income, expenditures, internal control, allowable costs, cash management, cost allocation, indirect costs, cost/resource sharing, single audit and audit resolution policies and procedures for its subrecipients, and written internal management procedures. For the procurement portion of the review, we examined procurement policies and procedures, methods of procurement, procurement competition and selection of service providers, cost and price analyses, contract terms and agreements, and property management. In addition, we reviewed the membership of City of Anaheim's Local Workforce Investment Board and Youth Council.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by City of Anaheim with applicable federal and state laws, regulations, policies, and directives related to the WIA and ARRA grant regarding financial management and procurement for PY 2009-10.

We collected the information for this report through interviews with representatives of City of Anaheim, a review of applicable policies and procedures, and a review of

documentation retained by City of Anaheim for a sample of expenditures and procurements for PY 2009-10.

BACKGROUND

For PY 2009-10, the City of Anaheim was allocated: \$579,270 to serve adult participants; \$1,254,628 to serve youth participants; and \$918,632 to serve dislocated worker participants.

For the quarter ending March 31, 2010, the City of Anaheim reported the following expenditures for its ARRA programs: \$513,717 for adult participants; \$1,014,486 for youth participants; and \$641,539 for dislocated worker participants. In addition, the City of Anaheim reported the following enrollments: 81 adult participants; 433 youth participants; and 93 dislocated worker participants.

FISCAL REVIEW RESULTS

We conclude that, overall, City of Anaheim is meeting applicable WIA and ARRA requirements concerning financial management.

PROCUREMENT REVIEW RESULTS

We conclude that, overall, City of Anaheim is meeting applicable WIA and ARRA requirements concerning procurement.

In addition to the above review results for City of Anaheim's fiscal and procurement systems, we reviewed the membership of its Workforce Investment Board (WIB) and Youth Council (YC) for compliance. We found that City of Anaheim is meeting applicable WIA and ARRA requirements concerning WIB and YC membership.

This report contains no findings or concerns; therefore, we are issuing this report as the final report.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is City of Anaheim's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Consequently, any deficiencies identified in subsequent reviews, such as an audit, would remain City of Anaheim's responsibility.

Mr. Ruben Aceves

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September 24, 2010

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Mechelle Hayes at (916) 654-1292.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar". The signature is fluid and cursive, with the first name "Jessie" and last name "Mar" clearly distinguishable.

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Division

cc: Joyce Fong, MIC 50
Jose Luis Marquez, MIC 50
Dathan O. Moore, MIC 50
Daniel Patterson, MIC 45